bulk drug was recommended in accordance with the basic approach of customs duty rationalisation that where formulation is duty free, the concerned bulk drug should also be allowed to be imported duty free, with the objective of foreign exchange savings, value addition, within the country, etc.

(c) To the extent information is available, the bulk drug Ceftazidime is being imported by the company at Rs. 66,530 per kg.

(e) This is linked with the ongoing review of the Drug Policy.

Disclosure of names of formulations

1950. SHRI ASHOK NATH VERMA: CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 2074 given in the Rajya Sabha on 12.12.91 and state:

(a) whether it is a fact that the disclosure of names of 500 formulations for which prices have been fixed during 1991, their earlier prices and revised prices is not being made to hide the omissions and commissions of some bureaucrats; and

(b) what steps are proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) No Sir.

(b) Does not arise.

Payment of import price difference by drug companies

1951. CHOWDHARY RAM SEWAK: Will the PRIME MINISTER be pleased to state:

(a) whether it a fact the Government have decided to ignore the higher import price difference of $ 600 per kg., being paid by M/s. Hoeschst and M|s Roussel;

(b) whether his Ministry have also decided to ignore non-reduction in price of formulations based on custom duty exempting on this drug;

(c) what was the price of formulations based on Cefotaxoim of M|s. Hoechst and M/s. Roussel before and after custom duty withdrawal;

(d) whether it is a fact that supression of DPEA liabilities decontrol of Glybenclamide without justification, custom duty reduction of Cefotaxim without justification all show that the Government run by these companies or at the instance of these companies;

(e) whether it is a fact that in the process common man has been over-charged by crores;

(f) what are the reasons for supression of liabilities of these companies decontrol of their drugs without basis and exemption/reduction of custom duty; and

(g) what is the relation of these companies with each other?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) It is not clear from the Question that on what bulk drug the higher import price is being paid by M/s. Hoechst & Roussel.

(c) The earlier price and the revised price of 1 gm. Injection based on Cefotaxim Sodium of both M/s. Hoechst and M|s. Roussel, are Rs. 184/- and Rs. 131.90 respectively (both inclusive of excise duty but exclusive of local taxes).

(d) and (e) No, Sir.

(f) There is no question of supression of liabilities. These are determined on the basis of data available with the Government. Inculsion|exculsion of of drugs under price contro is based on the recommendation of the Expert Committee (Kelkar Committee). Reduction/exemption of customs duty is recommended on the basis o rationale that if end product enjoys concessional duty or is exempted from customs duty, the same benefit should b extended to raw materials also in order t encourage indigenous production and effect saving in foreign exchange.

(g) M/s. Roussel is a subsidiary company of M|s Hoechst. M/s. Hoechst holds 2/3 equity shares in M|s. Roussel as per annual report of M/s Hoechst India Ltd. for the year 1990-91.

Date of reviewing the liabilities of drug companies

1952. SHRI SANTOSH KUMAR SAHU: Will the PRIME MINISTER be pleased to state:

(a) when the decision was taken to review the liabilities of drug Companies involved in payments into the Drug Prices Equalisation Account;

(b) whether the decision was taken in 1989 or in 1990 and if the decisions were taken in both the years what is the difference in both the years;

(c) what was follow up action based on 1989 decision and who was assigned the task of review;

(d) what are the names of the concerned Joint Secretary and Deputy Secretary when 1989 decision was taken and what they have done in the matter; and

(e) whether it is a fact that in order to kill the issue they suggested the appointment of another Committee?

THE MINISTER OF STATE IN THE MINSTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) In view of the receipt of complaints alleging various acts of ommission and commission on the part of the Special Team and the Price Review Committee, it was decided in 1989 to review all their recommendations and the developments thereafter.

(c) The then Additional Secretary and Financial Adviser of the Industry Ministry was assigned the task of scrutiny of the assessments made by the Special Team.

(d) When the decision was taken in 1989, the concerned Joint Secretary was Shri R. S. Mathur, and the Deputy Secretary under him was Shri O. P. Arya.

(e) No, Sir.

Not obtaining data for regulating drugs prices

1953. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 420 given in Rajya Sabha on 27th February, 1992 and state:

(a) whether portwise, importwise and companywise data are collected by the Ministry of Health and is also monitored by them;

(b) if so, why the same data are not obtained by his Ministry and used for regulating drug price instead of using average import data which are also not monitored by his Ministry;

(c) whether according to this Ministry merely FERA is not attracted, therefore, over-invoicing can be allowed;

(d) what steps have been taken to suggest amendments in the FERA to take care of such contingencies and whether his Ministry has taken up this issue with Department of Revenue pinpointing the area where action is required; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Ministry of Health provides consolidated data in regard to imports on request.

(b) Prices of raw materials keep fluctuating due to various factors and, therefore, the only practical way to fix the prices of and product is to adopt the average price.

(c) Action can be taken on the basis of evidence. Cases of over invoicing fall under Section 8(3) and 8(4) of FERA, 1973. As already stated in answer to parts (e) and (f) of the question referred to, the enforcement Directorate did not find any evidence.

(d) and (e) Since there is no conclusive evidence available in regard to over invoicing, no action is called for.